

**LAKE COUNTY/CITY AREA
PLANNING COUNCIL,
CALIFORNIA**

**FINANCIAL STATEMENTS
TOGETHER WITH
INDEPENDENT AUDITOR'S REPORT
FOR THE YEAR ENDED
JUNE 30, 2022**

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LAKE COUNTY/CITY AREA PLANNING COUNCIL
Annual Financial Report
For the Year Ended June 30, 2022

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LAKE COUNTY/CITY AREA PLANNING COUNCIL
Annual Financial Report
For the Year Ended June 30, 2022

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INTRODUCTORY SECTION

- **List of Officials**

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LAKE COUNTY/CITY AREA PLANNING COUNCIL

List of Officials

For the Year Ended June 30, 2022

Board of Directors

Bruno Sabatier	Supervisor, County of Lake
Moke Simon	Supervisor, County of Lake
Stacey Mattina	City Council Member, City of Lakeport
Kenneth Parlet	City Council Member, City of Lakeport
Russell Perdock	City Council Member, City of Clearlake
Russ Cremer	City Council Member, City of Clearlake
Chuck Leonard	Member at Large
Tim Warnement	Member at Large

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FINANCIAL SECTION

- **Independent Auditor's Report**
- **Basic Financial Statements**
- **Required Supplementary Information**
- **Combining Nonmajor Fund Financial Statements**
- **Schedules of Allocations and Expenditures**

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INDEPENDENT AUDITOR'S REPORT

To the Board of Directors
Lake County/City Area Planning Council
Lakeport, California

Report on the Audit of the Financial Statements**Opinions**

We have audited the accompanying financial statements of the governmental activities, the major funds, and the aggregate remaining fund information of Lake County/City Area Planning Council, Lakeport, California (Council), as of and for the year ended June 30, 2022, and the related notes to the financial statements, which collectively comprise the Council's basic financial statements as listed in the table of contents.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, each major fund, and the aggregate remaining fund information of the Council as of June 30, 2022, and the respective changes in financial position, thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinions

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the Council and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America, and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the Council's ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

To the Board of Directors
Lake County/City Area Planning Council
Lakeport, California

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards and Government Auditing Standards will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgement made by a reasonable user based on the financial statements.

In performing an audit in accordance with generally accepted auditing standards and Government Auditing Standards, we:

- Exercise professional judgement and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Council's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgement, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Council's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

To the Board of Directors
Lake County/City Area Planning Council
Lakeport, California

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the budgetary comparison information as listed in the table of contents be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtain during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Management has omitted the Management's Discussion and Analysis that accounting principles generally accepted in the United States of America require to be presented to supplement the basic financial statements. Such missing information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic or historical context. Our opinion on the basic financial statements is not affected by this missing information.

Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Council's basic financial statements. The accompanying combining nonmajor fund financial statements and Schedules of Allocations and Expenditures are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the combining nonmajor fund financial statements are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Other Information

Management is responsible for the other information included in the annual report. The other information comprises the introductory section, but does not include the basic financial statements and our auditor's report thereon. Our opinions on the basic financial statements do not cover the other information, and we do not express an opinion or any form of assurance thereon.

In connection with our audit of the basic financial statements, our responsibility is to read the other information and consider whether a material inconsistency exists between the other information and the basic financial statements, or the other information otherwise appears to be materially misstated. If, based on the work performed, we conclude that an uncorrected material misstatement of the other information exists, we are required to describe it in our report.

To the Board of Directors
Lake County/City Area Planning Council
Lakeport, California

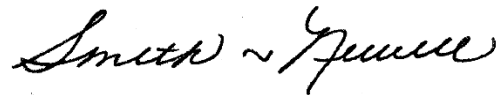
Report on Summarized Comparative Information

The financial statements include summarized prior year comparative information. Such information does not include all of the information required to constitute a presentation in accordance with accounting principles generally accepted in the United States of America. Accordingly, such information should be read in conjunction with the Council's financial statements for the year ended June 30, 2021, from which such partial information was derived.

We have previously audited the Council's June 30, 2021 financial statements and our report, dated September 29, 2022, expressed an unmodified opinion on the financial statements. In our opinion, the summarized comparative information presented herein as of and for the year ended June 30, 2021, is consistent, in all material respects, with the audited financial statements from which it has been derived.

Other Reporting Required by Government Auditing Standards

In accordance with Government Auditing Standards, we have also issued our report dated June 27, 2023, on our consideration of the Council's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Council's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with Government Auditing Standards in considering the Council's internal control over financial reporting and compliance.



Smith & Newell CPAs
Yuba City, California
June 27, 2023

Basic Financial Statements

- **Government-Wide Financial Statements**

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LAKE COUNTY/CITY AREA PLANNING COUNCIL
Statement of Net Position
June 30, 2022

	<u>Total Governmental Activities</u>
ASSETS	
Cash and investments	\$ 3,383,573
Receivables:	
Intergovernmental	426,804
Sales tax	382,103
Interest	3,796
Advance to Lake Transit Authority	<u>102,025</u>
Total Assets	<u>4,298,301</u>
LIABILITIES	
Accounts payable	<u>119,713</u>
Total Liabilities	<u>119,713</u>
NET POSITION	
Restricted for:	
Unallocated apportionments	165,390
Transportation	<u>4,013,198</u>
Total Net Position	<u><u>\$ 4,178,588</u></u>

The notes to the basic financial statements are an integral part of this statement.

LAKE COUNTY/CITY AREA PLANNING COUNCIL
Statement of Activities
For the Year Ended June 30, 2022

<u>Functions/Programs:</u>	<u>Expenses</u>	<u>Program Revenues</u>		<u>Capital Grants and Contributions</u>	<u>Net (Expense) Revenue and Changes in Net Position</u>
		<u>Charges for Services</u>	<u>Operating Grants and Contributions</u>		<u>Total Governmental Activities</u>
Governmental activities:					
Transportation	\$ 4,368,796	\$ -	\$ 5,253,688	\$ -	\$ 884,892
Total Governmental Activities	<u>4,368,796</u>	<u>-</u>	<u>5,253,688</u>	<u>-</u>	<u>884,892</u>
Total	<u>\$ 4,368,796</u>	<u>\$ -</u>	<u>\$ 5,253,688</u>	<u>\$ -</u>	<u>884,892</u>
General revenues and transfers:					
Interest and investment earnings					8,041
Miscellaneous					<u>674</u>
Total General Revenues					<u>8,715</u>
Change in Net Position					893,607
Net Position - Beginning					<u>3,284,981</u>
Net Position - Ending					<u>\$ 4,178,588</u>

The notes to the basic financial statements are an integral part of this statement.

Basic Financial Statements

- **Fund Financial Statements**

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LAKE COUNTY/CITY AREA PLANNING COUNCIL

Balance Sheet

Governmental Funds

June 30, 2022

(With summarized comparative totals for June 30, 2021)

	Local Transportation	State Transit Assistance	State of Good Repair	Work Program
ASSETS				
Cash and investments	\$ 1,002,408	\$ 167,209	\$ 100,904	\$ 24,282
Receivables:				
Intergovernmental	-	172,760	16,719	208,238
Sales tax	382,103	-	-	-
Interest	1,261	96	104	-
Due from other funds	-	-	-	-
Advance to Lake Transit Authority	102,025	-	-	-
	Total Assets	Total Assets	Total Assets	Total Assets
	\$ 1,487,797	\$ 340,065	\$ 117,727	\$ 232,520
LIABILITIES				
Accounts payable	\$ -	\$ -	\$ -	\$ 110,803
Due to other funds	-	-	-	-
Due to Lake Transit Authority	-	-	-	-
	Total Liabilities	Total Liabilities	Total Liabilities	Total Liabilities
	-	-	-	110,803
FUND BALANCES				
Restricted	1,487,797	340,065	117,727	121,717
	Total Fund Balances	Total Fund Balances	Total Fund Balances	Total Fund Balances
	1,487,797	340,065	117,727	121,717
Total Liabilities and Fund Balances	\$ 1,487,797	\$ 340,065	\$ 117,727	\$ 232,520

The notes to the basic financial statements are an integral part of this statement.

Administration	Reserve	Regional Surface Transportation Program	Service Authority for Freeway Emergencies	Other Governmental Funds	Totals	
					2022	2021
\$ 47,857	\$ 470,141	\$ 280,424	\$ 1,063,710	\$ 226,638	\$ 3,383,573	\$ 2,572,615
-	-	-	29,087	-	426,804	445,164
-	-	-	-	-	382,103	404,021
-	556	515	1,255	9	3,796	-
-	-	-	-	-	-	50,000
-	-	-	-	-	102,025	102,025
<u>\$ 47,857</u>	<u>\$ 470,697</u>	<u>\$ 280,939</u>	<u>\$ 1,094,052</u>	<u>\$ 226,647</u>	<u>\$ 4,298,301</u>	<u>\$ 3,573,825</u>
\$ 226	\$ -	\$ -	\$ 8,684	\$ -	\$ 119,713	\$ 130,831
-	-	-	-	-	-	50,000
-	-	-	-	-	-	108,013
<u>226</u>	<u>-</u>	<u>-</u>	<u>8,684</u>	<u>-</u>	<u>119,713</u>	<u>288,844</u>
<u>47,631</u>	<u>470,697</u>	<u>280,939</u>	<u>1,085,368</u>	<u>226,647</u>	<u>4,178,588</u>	<u>3,284,981</u>
<u>47,631</u>	<u>470,697</u>	<u>280,939</u>	<u>1,085,368</u>	<u>226,647</u>	<u>4,178,588</u>	<u>3,284,981</u>
<u>\$ 47,857</u>	<u>\$ 470,697</u>	<u>\$ 280,939</u>	<u>\$ 1,094,052</u>	<u>\$ 226,647</u>	<u>\$ 4,298,301</u>	<u>\$ 3,573,825</u>

LAKE COUNTY/CITY AREA PLANNING COUNCIL
Reconciliation of the Governmental Funds Balance
Sheet to the Government-Wide Statement of
Net Position - Governmental Activities
June 30, 2022

Total Fund Balances - Total Governmental Funds	\$ 4,178,588
No adjustments were needed to reconcile the governmental funds balance sheet to the government-wide Statement of Net Position.	<u>-</u>
Net Position of Governmental Activities	<u><u>\$ 4,178,588</u></u>

The notes to the basic financial statements are an integral part of this statement.

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LAKE COUNTY/CITY AREA PLANNING COUNCIL
Statement of Revenues, Expenditures
and Changes in Fund Balances
Governmental Funds
For the Year Ended June 30, 2022
(With summarized comparative totals for June 30, 2021)

	<u>Local Transportation</u>	<u>State Transit Assistance</u>	<u>State of Good Repair</u>	<u>Work Program</u>
REVENUES				
Intergovernmental revenues:				
Local Transportation fund	\$ 2,058,365	\$ -	\$ -	\$ -
State Transit Assistance fund	-	608,161	-	-
State of Good Repair	-	-	99,422	-
Local Transportation fund allocation	-	-	-	142,096
Rural Planning Assistance	-	-	-	324,663
FHWA SPR	-	-	-	96,423
FTA Section 5304	-	-	-	28,659
Planning, Programming, and Monitoring	-	-	-	56,000
Other federal grants	-	-	-	-
SB1	-	-	-	-
Local Road Safety Plan	-	-	-	76,198
Regional Surface Transportation Program	-	-	-	-
Vehicle registration fees	-	-	-	-
Use of money	2,518	177	228	-
Other revenue	-	-	-	674
	<u>2,060,883</u>	<u>608,338</u>	<u>99,650</u>	<u>724,713</u>
EXPENDITURES				
Current transportation:				
Planning and administration	755,508	-	-	728,668
Regional transit services	901,386	466,193	99,867	-
RSTP pass-through	-	-	-	-
Pedestrian and bicycle allocation	24,413	-	-	-
Transfer of FTA 5310 funds to Lake Transit Authority	-	-	-	-
	<u>1,681,307</u>	<u>466,193</u>	<u>99,867</u>	<u>728,668</u>
Excess Revenues Over (Under) Expenditures	<u>379,576</u>	<u>142,145</u>	<u>(217)</u>	<u>(3,955)</u>
OTHER FINANCING SOURCES (USES)				
Transfers in	-	-	-	-
Transfers out	(469,780)	-	-	-
	<u>(469,780)</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net Change in Fund Balances	(90,204)	142,145	(217)	(3,955)
Fund Balances - Beginning	<u>1,578,001</u>	<u>197,920</u>	<u>117,944</u>	<u>125,672</u>
Fund Balances - Ending	<u>\$ 1,487,797</u>	<u>\$ 340,065</u>	<u>\$ 117,727</u>	<u>\$ 121,717</u>

The notes to the basic financial statements are an integral part of this statement.

<u>Administration</u>	<u>Reserve</u>	<u>Regional Surface Transportation Program</u>	<u>Service Authority for Freeway Emergencies</u>	<u>Other Governmental Funds</u>	<u>Totals</u>	
					<u>2022</u>	<u>2021</u>
\$ -	\$ -	\$ -	\$ -	\$ -	\$ 2,058,365	\$ 2,107,949
-	-	-	-	-	608,161	462,326
-	-	-	-	-	99,422	96,805
613,412	-	-	-	24,413	779,921	635,850
-	-	-	-	-	324,663	302,993
-	-	-	-	-	96,423	28,880
-	-	-	-	-	28,659	-
-	-	-	-	-	56,000	46,000
-	360,464	-	-	-	360,464	-
-	-	-	-	-	-	47,239
-	-	-	-	-	76,198	45,683
-	-	681,856	-	-	681,856	687,991
-	-	-	83,556	-	83,556	86,447
-	917	1,277	2,904	20	8,041	11,405
-	-	-	-	-	674	-
<u>613,412</u>	<u>361,381</u>	<u>683,133</u>	<u>86,460</u>	<u>24,433</u>	<u>5,262,403</u>	<u>4,559,568</u>
591,697	360,464	-	36,259	-	2,472,596	1,803,501
-	-	-	-	-	1,467,446	1,622,556
-	-	404,341	-	-	404,341	966,599
-	-	-	-	-	24,413	19,912
-	-	-	-	-	-	69,281
<u>591,697</u>	<u>360,464</u>	<u>404,341</u>	<u>36,259</u>	<u>-</u>	<u>4,368,796</u>	<u>4,481,849</u>
<u>21,715</u>	<u>917</u>	<u>278,792</u>	<u>50,201</u>	<u>24,433</u>	<u>893,607</u>	<u>77,719</u>
-	469,780	-	-	-	469,780	-
-	-	-	-	-	(469,780)	-
-	469,780	-	-	-	-	-
<u>21,715</u>	<u>470,697</u>	<u>278,792</u>	<u>50,201</u>	<u>24,433</u>	<u>893,607</u>	<u>77,719</u>
<u>25,916</u>	<u>-</u>	<u>2,147</u>	<u>1,035,167</u>	<u>202,214</u>	<u>3,284,981</u>	<u>3,207,262</u>
<u>\$ 47,631</u>	<u>\$ 470,697</u>	<u>\$ 280,939</u>	<u>\$ 1,085,368</u>	<u>\$ 226,647</u>	<u>\$ 4,178,588</u>	<u>\$ 3,284,981</u>

LAKE COUNTY/CITY AREA PLANNING COUNCIL
Reconciliation of the Statement of Revenues, Expenditures
and Changes in Fund Balances of Governmental Funds to the
Government-Wide Statement of Activities - Governmental Activities
For the Year Ended June 30, 2022

Net Change in Fund Balance - Total Governmental Funds	\$ 893,607
No adjustments were needed to reconcile the net change in fund balance to the change in net position.	<u>-</u>
Change in Net Position of Governmental Activities	<u><u>\$ 893,607</u></u>

The notes to the basic financial statements are an integral part of this statement.

Basic Financial Statements

- **Notes to Basic Financial Statements**

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LAKE COUNTY/CITY AREA PLANNING COUNCIL
Notes to Basic Financial Statements
For the Year Ended June 30, 2022

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. Reporting Entity

The Lake County/City Area Planning Council, the regional transportation planning agency for the County of Lake, was established in 1972 pursuant to the Transportation Development Act. The Council is responsible for transportation planning activities as well as administration of the Local Transportation funds, State Transit Assistance fund, Transportation Planning fund, and the Bicycle/Pedestrian funds received from the State.

The Council receives monies and allocates these monies for the planning, management, and operation of public transportation systems within the County of Lake. The Council also has the authority to allocate monies for other transportation related activities including street and road projects.

Component Units

Generally accepted accounting principles require government financial statements to include the primary government and its component units. Component units of a governmental entity are legally separate entities for which the primary government is considered to be financially accountable and for which the nature and significance of their relationship with the primary government are such that exclusion would cause the combined financial statements to be misleading. The primary government is considered to be financially accountable if it appoints a majority of an organization's governing body and is able to impose its will on that organization or there is a potential for the organization to provide specific financial benefits to or impose specific financial burdens on the primary government.

Based on the application of the criteria set forth by the Governmental Accounting Standards Board, management has determined that there are no component units of the Council.

Related Organizations

The County of Lake performs various services for the Council including risk management through the County's risk management program. However, the County is not financially accountable for this organization and therefore the Council is not a component unit under Statement Nos. 14, 39 and 61 of the Governmental Accounting Standards Board.

B. Basis of Presentation

Government-Wide Financial Statements

The Statement of Net Position and Statement of Activities display information on all the activities of the Council. These statements include only the financial activities of the Council. Eliminations have been made to minimize double counting of internal activities. Interfund services provided and used are not eliminated in the process of consolidation. These statements report the governmental activities of the Council, which are normally supported by intergovernmental revenues. The Council had no business-type activities at June 30, 2022.

LAKE COUNTY/CITY AREA PLANNING COUNCIL
Notes to Basic Financial Statements
For the Year Ended June 30, 2022

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

B. Basis of Presentation (Continued)

Government-Wide Financial Statements (Continued)

The Statement of Activities presents a comparison between direct expenses and program revenues for each function of the Council's governmental activities. Direct expenses are those that are specifically associated with a program or function and therefore, are clearly identifiable to a particular function. Program revenues include 1) charges paid by the recipients of goods and services offered by the program, 2) operating grants and contributions, and 3) capital grants and contributions. Taxes and other items not properly included among program revenues are presented instead as general revenues.

Fund Financial Statements

Fund financial statements of the Council are organized into funds, each of which is considered to be a separate accounting entity. Each fund is accounted for by providing a separate set of self-balancing accounts that constitute its assets, deferred outflows of resources, liabilities, deferred inflows of resources, fund equity, revenues, and expenditures. The funds of the Council are organized into the governmental category. The emphasis is placed on major funds. Each is displayed in a separate column.

The Council reports the following major governmental funds:

- The Local Transportation fund is a special revenue fund used to account for the local transportation activities. Funding comes from transportation fund allocations.
- The State Transit Assistance fund is a special revenue fund used to account for the receipt and expenditure of State Transit Assistance funds. Funding comes primarily from state transit assistance fund allocations.
- The State of Good Repair fund is a special revenue fund used to account for the receipt and expenditure of State of Good Repair funds. Funding comes primarily from state of good repair allocations.
- The Work Program fund is a special revenue fund used to account for monies expended in relation to the overall work program. Funding comes primarily from rural planning assistance, PPM, and other grants.
- The Administration fund is a special revenue fund used to account for monies expended in relation to local transportation fund administration. Funding comes primarily from local transportation fund allocations.
- The Reserve fund is a special revenue fund used to account for local transportation fund reserves and the related expenditures for acquisition of transportation vehicles for the Lake Transit Authority. Funding comes primarily from local transportation fund allocations.
- The Regional Surface Transportation Program fund (RSTP) is a special revenue fund used to account for activity related to RSTP projects. Funding comes primarily from state grants.

LAKE COUNTY/CITY AREA PLANNING COUNCIL
Notes to Basic Financial Statements
For the Year Ended June 30, 2022

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

B. Basis of Presentation (Continued)

Fund Financial Statements (Continued)

- The Service Authority for Freeway Emergencies fund (SAFE) is a special revenue fund used to account for activity related to SAFE funding. Funding comes primarily from vehicle registration fees.

C. Basis of Accounting and Measurement Focus

The government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting. Revenues are recorded when earned and expenses are recorded at the time liabilities are incurred, regardless of when the related cash flows take place. Nonexchange transactions, in which the Council gives (or receives) value without directly receiving (or giving) equal value in exchange, include sales tax, grants, entitlements, and donations. Under the accrual basis, revenues from sales tax are recognized when the underlying transactions take place. Revenues from grants, entitlements, and donations are recognized in the fiscal year in which all eligibility requirements have been satisfied.

Governmental funds are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Under this method, revenues are recognized when measurable and available. Sales taxes, interest, and certain state and federal grants are considered susceptible to accrual and are accrued when their receipt occurs within sixty days after the end of the fiscal year. Expenditures are generally recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures as well as expenditures related to claims and judgments are recorded only when payment is due. General capital asset acquisitions are reported as expenditures in the governmental funds. Proceeds of governmental long-term debt and acquisitions under capital leases are reported as other financing sources.

D. Non-Current Governmental Assets/Liabilities

Non-current governmental assets and liabilities, such as capital assets and long-term liabilities, are reported in the governmental activities column in the government-wide Statement of Net Position.

E. Investments

The Council pools all cash and investments with the County of Lake. The Lake County Treasury is an external investment pool for the Council and the Council is considered an involuntary participant. The Council's share in this pool is displayed in the accompanying financial statements as cash and investments.

Participant's equity in the investment pool is determined by the dollar amount of participants deposits, adjusted for withdrawals and distributed investment income. Investment income is determined on an amortized cost basis. Interest payments, accrued interest, accreted discounts, amortized premiums and realized capital gains and losses, net of administrative fees, are apportioned to pool participants every quarter. This method differs from the fair value method used to value investments in these financial statements as unrealized gains and losses are not apportioned to pool participants.

F. Receivables

Receivables consist mainly of intergovernmental and sales tax revenues. Management believes its receivables are fully collectible and, accordingly, no allowance for doubtful accounts is required.

LAKE COUNTY/CITY AREA PLANNING COUNCIL
Notes to Basic Financial Statements
For the Year Ended June 30, 2022

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

G. Inventory

Inventories are recorded as expenditures at the time inventory is purchased rather than when consumed. Records are not maintained of inventory and supplies on hand, although these amounts are not considered material.

H. Advance to Lake Transit Authority

On January 22, 2021, the Council made an interest-free advance of 2021-2022 Local Transportation Funds to Lake Transit Authority in the amount of \$102,025 to cover delays in reimbursable grant funding. As of June 30, 2022, the Lake Transit Authority has not repaid this amount.

I. Capital Assets

Capital assets would be valued at historical cost, or estimated historical cost if actual historical cost was not available. Contributed capital assets would be recorded at their acquisition value on the date donated. Major outlays for capital assets and improvements would be capitalized as projects are constructed.

Capital assets used in operations would be depreciated or amortized using the straight-line method over its estimated useful life in the government-wide financial statements.

At June 30, 2022, the Council did not have any capital assets.

J. Interfund Transactions

Interfund transactions are reflected as either loans, services provided or used, reimbursements or transfers.

Loans reported as receivables and payables are referred to as either “due to/from other funds” (i.e., the current portion of interfund loans) or “advances to/from other funds” (i.e., the noncurrent portion of interfund loans) as appropriate and are subject to elimination upon consolidation. Advances between funds, as reported in the fund financial statements, are offset by a nonspendable fund balance account in applicable governmental funds to indicate that they are not in spendable form.

Services provided or used, deemed to be at market or near market rates, are treated as revenues and expenditures or expenses. These services provide information on the net cost of each government function and therefore are not eliminated in the process of preparing the government-wide Statement of Activities.

Reimbursements occur when the funds responsible for particular expenditures or expenses repay the funds that initially paid for them. Such reimbursements are reflected as expenditures or expenses in the reimbursing fund and reductions to expenditures or expenses in the reimbursed fund.

All other interfund transactions are treated as transfers. Transfers between funds are netted as part of the reconciliation to the government-wide presentation.

K. Compensated Absences and Other Postemployment Benefits

The Council does not currently have any employees. Therefore, there is no liability for compensated absences or other postemployment benefits.

LAKE COUNTY/CITY AREA PLANNING COUNCIL
Notes to Basic Financial Statements
For the Year Ended June 30, 2022

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

L. Management Contract

The Council pays an administration fee to Davey-Bates Consulting for all administration and management of the Council. The total amount paid for administration and management for the year ended June 30, 2021 was \$577,444 and was included in expenditures in the Administration and the Service Authority for Freeway Emergency funds.

M. Deferred Outflows/Inflows of Resources

In addition to assets, the statement of financial position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, deferred outflows of resources, represents a consumption of net position that applies to a future period and so will not be recognized as an outflow of resources (expense/expenditure) until then. At June 30, 2022, the Council did not have any deferred outflows of resources.

In addition to liabilities, the statement of financial position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, deferred inflows of resources, represents an acquisition of net position that applies to a future period and so will not be recognized as an inflow of resources (revenue) until that time. At June 30, 2022, the Council did not have any deferred inflows of resources.

N. Estimates

The preparation of basic financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

O. Implementation of Governmental Accounting Standards Board (GASB) Statements

The following Governmental Accounting Standards Board (GASB) Statements have been implemented, if applicable, in the current financial statements.

Statement No. 87, Leases. This Statement increases the usefulness of governments' financial statements by requiring recognition of certain lease assets and liabilities for leases that previously were classified as operating leases and recognized as inflows of resources or outflows of resources based on the payment provisions of the contract.

Statement No. 89, Accounting for Interest Cost Incurred before the End of a Construction Period. This statement enhances the relevance and comparability of information about capital assets and the cost of borrowing for a reporting period and simplifies accounting for interest cost incurred before the end of a construction period.

Statement No. 92, Omnibus 2020. This Statement will enhance comparability in the application of accounting and financial reporting requirements and will improve the consistency of authoritative literature.

Statement No. 93, Replacement of Interbank Offered Rates. The objective of this Statement is to address implications of GASB Statement No. 53 and GASB Statement No. 87 and other accounting and financial reporting implications that result from the replacement of an IBOR.

LAKE COUNTY/CITY AREA PLANNING COUNCIL
Notes to Basic Financial Statements
For the Year Ended June 30, 2022

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

O. Implementation of Governmental Accounting Standards Board (GASB) Statements (Continued)

Statement No. 97, Certain Component Unit Criteria, and Accounting and Financial Reporting for Internal Revenue Code Section 457 Deferred Compensation Plans. The requirements of this Statement will result in more consistent financial reporting of defined contribution pension plans, defined contribution OPEB plans, and other employee benefit plans, while mitigating the costs associated with reporting those plans. The requirements also will enhance the relevance, consistency, and comparability of (1) the information related to Section 457 plans that meet the definition of a pension plan and the benefits provided through those plans and (2) investment information for all Section 457 plans.

P. Future Accounting Pronouncements

The following GASB Statements will be implemented, if applicable, in future financial statements:

Statement No. 91 “Conduit Debt Obligations” The requirements of this statement are effective for periods beginning after December 15, 2021. (FY 22/23)

Statement No. 94 “Public-Private and Public-Public Partnerships and Availability Payment Arrangements” The requirements of this statement are effective for periods beginning after June 15, 2022. (FY 22/23)

Statement No. 96 “Subscription-Based Information Technology Arrangements” The requirements of this statement are effective for periods beginning after June 15, 2022. (FY 22/23)

NOTE 2: CASH AND INVESTMENTS

A. Financial Statement Presentation

As of June 30, 2022, the Council’s cash and investments consisted of the following:

Investments:	
Lake County Treasurer’s pool	\$ 3,383,573
Total Cash and Investments	<u>\$ 3,383,573</u>

LAKE COUNTY/CITY AREA PLANNING COUNCIL
Notes to Basic Financial Statements
For the Year Ended June 30, 2022

NOTE 2: CASH AND INVESTMENTS (CONTINUED)

B. Investments

The Council does not have a formal investment policy. At June 30, 2022, all investments of the Council were in the County of Lake investment pool. Under the provisions of the County's investment policy and the California Government Code, the County may invest or deposit in the following:

- Bankers' Acceptances
- Commercial Paper
- Local Agency Investment Fund (LAIF)
- Mutual Funds
- Medium Term Corporate Notes
- Negotiable Certificates of Deposit
- Repurchase Agreements
- Securities of the Federal Government or its Agencies
- State of California Obligations
- Local Agency Bonds
- Treasury Obligations
- Obligations of California Local Agencies

Fair Value of Investments - The Council measures and records its investments using fair value measurement guidelines established by generally accepted accounting principles. These guidelines recognize a three-tiered fair value hierarchy as follows:

- Level 1: Quoted prices for identical investments in active markets;
- Level 2: Observable inputs other than quoted market prices; and,
- Level 3: Unobservable inputs

As of June 30, 2022, the Council held no individual investments. Accordingly, the measurement of fair value for the Council's proportionate share of investments in the County investment pool is based on unategorized inputs not defined as Level 1, Level 2, or Level 3. Required disclosure information regarding categorization of investments and other deposit and investment risk disclosure can be found in the County's financial statements. The County of Lake's financial statements may be obtained by contacting the County of Lake Auditor-Controller's office a 255 North Forbes Street, Lakeport, Ca 95453.

Interest Rate Risk - Interest rate risk is the risk of loss due to the fair value of an investment falling due to interest rates rising. Generally, the longer the maturity of an investment, the greater the sensitivity of its fair value to changes in market interest rates. To limit exposure to fair value losses from increases in interest rates, the County limits investment maturities to a term appropriate to the need for funds so as to permit the County to meet all projected obligations.

Credit Risk - Credit risk is the risk that an issuer of an investment will not fulfill its obligation to the holder of the investment. This is measured by the assignment of a rating by a nationally recognized statistical rating organization. The County's investment policy sets specific parameters by type of investment to be met at the time of purchase. As of June 30, 2022, the Council's investments were all held with the County of Lake investment pool which is not rated by a nationally recognized statistical rating organization.

LAKE COUNTY/CITY AREA PLANNING COUNCIL
Notes to Basic Financial Statements
For the Year Ended June 30, 2022

NOTE 2: CASH AND INVESTMENTS (CONTINUED)

B. Investments (Continued)

Custodial Credit Risk - Custodial credit risk for investments is the risk that, in the event of the failure of a depository financial institution, the Council will not be able to recover its deposits or collateral securities that are in the possession of an outside party. With respect to investments, custodial credit risk generally applies only to direct investments in marketable securities. Custodial credit risk does not apply to a local government's indirect investments in securities through the use of mutual funds or government investment pools.

Concentration of Credit Risk - Concentration of credit risk is the risk of loss attributed to the magnitude of the Council's investment in a single issuer of securities. When investments are concentrated in one issuer, this concentration presents a heightened risk of potential loss. State law and the investment policy of the County contain limitations on the amount that can be invested in any one issuer. All investments of the Council were in the Lake County investment pool which contains a diversification of investments.

C. Investment in External Pool

The Lake County Pooled Investment Fund is a pooled investment fund program governed by the County which monitors and reviews the management of public funds maintained in the investment pool in accordance with the County investment policy and the California Government Code. The Board of Supervisors review and approve the investment policy annually. The County Treasurer prepares and submits a comprehensive investment report to the Board of Supervisors every month. The report covers the type of investments in the pool, maturity dates, par value, actual cost and fair value. Investments in the Lake County Pooled Investment fund are regarded as highly liquid as deposits and withdrawals can be made at any time without penalty. The Pool does not impose a maximum investment limit. Required disclosure information regarding categorization of investments and other deposit and investment risk disclosures can be found in the County's financial statements. The County of Lake's financial statements may be obtained by contacting the County of Lake Auditor-Controller's office at 255 North Forbes Street, Lakeport, CA 95453.

NOTE 3: INTERFUND TRANSACTIONS

Transfers

Transfers are indicative of reimbursement of various Council operations and re-allocations of special revenues. The following are the interfund transfer balances as of June 30, 2022:

	Transfers In	Transfers Out
Local Transportation Reserve	\$ -	\$ 469,780
	469,780	-
Total	\$ 469,780	\$ 469,780

LAKE COUNTY/CITY AREA PLANNING COUNCIL
Notes to Basic Financial Statements
For the Year Ended June 30, 2022

NOTE 4: NET POSITION

The government-wide financial statements utilize a net position presentation. Net position is categorized as net investment in capital assets, restricted and unrestricted.

- **Net investment in capital assets** - consists of capital assets including restricted capital assets, net of accumulated depreciation and reduced by the outstanding balances of any bonds, mortgages, notes or other borrowings that are attributable to the acquisition, construction or improvement of those assets.
- **Restricted net position** - consists of net position with constraints placed on the use either by (1) external groups such as creditors, grantors, contributors or laws or regulations of other governments; or (2) law through constitutional provisions or enabling legislation.
- **Unrestricted net position** - all other net position that does not meet the definition of “restricted” or “net investment in capital assets”.

Net Position Flow Assumption

When a government funds outlays for a particular purpose from both restricted and unrestricted resources, a flow assumption must be made about the order in which the resources are considered to be applied. When both restricted and unrestricted net position are available, it is considered that restricted resources are used first, followed by the unrestricted resources.

NOTE 5: FUND BALANCES

As prescribed by GASB Statement No. 54, governmental funds report fund balance in classifications based primarily on the extent to which the Council is bound to honor constraints on the specific purposes for which amounts in the funds can be spent. Fund balances for governmental funds can be made up of the following:

- **Nonspendable fund balance** - amounts that cannot be spent because they are either (a) not in spendable form, or (b) legally or contractually required to be maintained intact. The “not in spendable form” criterion includes items that are not expected to be converted to cash, for example: inventories and prepaid amounts.
- **Restricted fund balance** - amounts with constraints placed on their use that are either (a) externally imposed by creditors, grantors, contributors, or laws or regulations of other governments; or (b) imposed by law through constitutional provisions or enabling legislation.
- **Committed fund balance** - amounts that can only be used for the specific purposes determined by formal action of the Council’s highest level of decision-making authority. The Board of Directors is the highest level of decision-making authority for the Council that can, by Board action, commit fund balance. Once adopted, the limitation imposed remains in place until a similar action is taken to remove or revise the limitation. The underlying action that imposed the limitation needs to occur no later than the close of the reporting period.
- **Assigned fund balance** - amounts that are constrained by the Council’s intent to be used for specific purposes. The intent can be established at either the highest level of decision-making, or by a body or an official designated for that purpose.

LAKE COUNTY/CITY AREA PLANNING COUNCIL
Notes to Basic Financial Statements
For the Year Ended June 30, 2022

NOTE 5: FUND BALANCES (CONTINUED)

- **Unassigned fund balance** - the negative residual amount when expenditures incurred exceed the amounts that are restricted, committed, or assigned.

The fund balances for all major and nonmajor governmental funds as of June 30, 2022, were distributed as follows:

	Restricted for:		
	Unallocated Apportionments	Transportation	Total
Local Transportation	\$ 38,239	\$ 1,449,558	\$ 1,487,797
State Transit Assistance	46,293	293,772	340,065
State of Good Repair	80,858	36,869	117,727
Work Program	-	121,717	121,717
Administration	-	47,631	47,631
Reserve	-	470,697	470,697
Regional Surface Transportation Program	-	280,939	280,939
Service Authority of Freeway Emergencies	-	1,085,368	1,085,368
Other Governmental Funds	-	226,647	226,647
Totals	<u>\$ 165,390</u>	<u>\$ 4,013,198</u>	<u>\$ 4,178,588</u>

Fund Balance Flow Assumption

When a government funds outlays for a particular purpose from both restricted and unrestricted resources (the total of committed, assigned, and unassigned fund balance), a flow assumption must be made about the order in which the resources are considered to be applied. When both restricted and unrestricted fund balance are available, it is considered that restricted fund balance is depleted before using any of the components of unrestricted fund balance. Further, when the components of unrestricted fund balance can be used for the same purpose, committed fund balance is depleted first, followed by assigned fund balance. Unassigned fund balance is applied last.

Fund Balance Policy

The Board of Directors has adopted a formal fund balance or minimum fund balance policy by passage of an ordinance.

NOTE 6: RISK MANAGEMENT

The Council is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. The Council is covered under the County of Lake's risk management programs.

NOTE 7: RELATED PARTY TRANSACTIONS

The County of Lake provides accounting and risk management services for the Council. Related party expenditures incurred for the fiscal year ended June 30, 2022 were \$6,000.

LAKE COUNTY/CITY AREA PLANNING COUNCIL
Notes to Basic Financial Statements
For the Year Ended June 30, 2022

NOTE 8: OTHER INFORMATION

A. Subsequent Events

Management has evaluated events subsequent to June 30, 2022 through June 27, 2023, the date on which the financial statements were available for issuance. Management has determined no subsequent events requiring disclosure have occurred.

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**Required Supplementary Information
(Unaudited)**

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LAKE COUNTY/CITY AREA PLANNING COUNCIL
Required Supplementary Information
Budgetary Comparison Schedule
Local Transportation - Major Special Revenue Fund
For the Year Ended June 30, 2022

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual Amounts (Budgetary Basis)</u>	<u>Variance with Final Budget Positive (Negative)</u>
REVENUES				
Local Transportation fund	\$ 2,622,880	\$ 2,694,636	\$ 2,058,365	\$ (636,271)
Use of money	-	-	2,518	2,518
Total Revenues	<u>2,622,880</u>	<u>2,694,636</u>	<u>2,060,883</u>	<u>(633,753)</u>
EXPENDITURES				
Current transportation:				
Planning and administration	832,503	978,988	755,508	223,480
Regional transit services	901,386	901,386	901,386	-
Pedestrian and bicycle allocation	219,451	194,180	24,413	169,767
Total Expenditures	<u>1,953,340</u>	<u>2,074,554</u>	<u>1,681,307</u>	<u>393,247</u>
Excess Revenues Over (Under) Expenditures	<u>669,540</u>	<u>620,082</u>	<u>379,576</u>	<u>(240,506)</u>
OTHER FINANCING SOURCES (USES)				
Transfers out	(669,540)	(569,540)	(469,780)	99,760
Total Other Financing Sources (Uses)	<u>(669,540)</u>	<u>(569,540)</u>	<u>(469,780)</u>	<u>99,760</u>
Net Change in Fund Balances	-	50,542	(90,204)	(140,746)
Fund Balances - Beginning	<u>1,578,001</u>	<u>1,578,001</u>	<u>1,578,001</u>	-
Fund Balances - Ending	<u><u>\$ 1,578,001</u></u>	<u><u>\$ 1,628,543</u></u>	<u><u>\$ 1,487,797</u></u>	<u><u>\$ (140,746)</u></u>

LAKE COUNTY/CITY AREA PLANNING COUNCIL
Required Supplementary Information
Budgetary Comparison Schedule
State Transit Assistance - Major Special Revenue Fund
For the Year Ended June 30, 2022

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual Amounts (Budgetary Basis)</u>	<u>Variance with Final Budget Positive (Negative)</u>
REVENUES				
State Transit Assistance fund	\$ 466,193	\$ 650,098	\$ 608,161	\$ (41,937)
Use of money	-	-	177	177
Total Revenues	<u>466,193</u>	<u>650,098</u>	<u>608,338</u>	<u>(41,760)</u>
EXPENDITURES				
Current transportation:				
Regional transit services	<u>466,193</u>	<u>650,098</u>	<u>466,193</u>	<u>183,905</u>
Total Expenditures	<u>466,193</u>	<u>650,098</u>	<u>466,193</u>	<u>183,905</u>
Net Change in Fund Balances	-	-	142,145	142,145
Fund Balances - Beginning	<u>197,920</u>	<u>197,920</u>	<u>197,920</u>	<u>-</u>
Fund Balances - Ending	<u><u>\$ 197,920</u></u>	<u><u>\$ 197,920</u></u>	<u><u>\$ 340,065</u></u>	<u><u>\$ 142,145</u></u>

LAKE COUNTY/CITY AREA PLANNING COUNCIL
Required Supplementary Information
Budgetary Comparison Schedule
State of Good Repair - Major Special Revenue Fund
For the Year Ended June 30, 2022

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual Amounts (Budgetary Basis)</u>	<u>Variance with Final Budget Positive (Negative)</u>
REVENUES				
State of Good Repair	\$ 99,707	\$ 309,924	\$ 99,422	\$ (210,502)
Use of money	-	-	228	228
Total Revenues	<u>99,707</u>	<u>309,924</u>	<u>99,650</u>	<u>(210,274)</u>
EXPENDITURES				
Current transportation:				
Regional transit services	<u>99,707</u>	<u>309,924</u>	<u>99,867</u>	<u>210,057</u>
Total Expenditures	<u>99,707</u>	<u>309,924</u>	<u>99,867</u>	<u>210,057</u>
Net Change in Fund Balances	-	-	(217)	(217)
Fund Balances - Beginning	<u>117,944</u>	<u>117,944</u>	<u>117,944</u>	<u>-</u>
Fund Balances - Ending	<u>\$ 117,944</u>	<u>\$ 117,944</u>	<u>\$ 117,727</u>	<u>\$ (217)</u>

LAKE COUNTY/CITY AREA PLANNING COUNCIL
Required Supplementary Information
Budgetary Comparison Schedule
Work Program - Major Special Revenue Fund
For the Year Ended June 30, 2022

	Original Budget	Final Budget	Actual Amounts (Budgetary Basis)	Variance with Final Budget Positive (Negative)
REVENUES				
Intergovernmental revenues:				
Local Transportation fund allocation	\$ -	\$ -	\$ 142,096	\$ 142,096
Rural Planning Assistance	306,500	353,085	324,663	(28,422)
FHWA SPR	-	97,800	96,423	(1,377)
FTA Section 5304	-	103,580	28,659	(74,921)
Planning, Programming, and Monitoring	99,440	99,440	56,000	(43,440)
Regional Early Action Planning	150,000	150,000	-	(150,000)
Local Road Safety Plan	-	84,317	76,198	(8,119)
FTA 5311 CARES allocations	2,356,697	2,356,697	-	(2,356,697)
Other revenue	-	-	674	674
Total Revenues	2,912,637	3,244,919	724,713	(2,520,206)
EXPENDITURES				
Current transportation:				
Overall Work Program:				
600 - Regional planning and intergovernmental coordination	158,916	158,916	156,320	2,596
601 - TDA activities and coordination	53,859	53,859	34,910	18,949
602 - Transit planning and performance monitoring	12,889	12,889	10,938	1,951
603 - Principal arterial corridor VMT study	112,822	112,822	-	112,822
604 - Lake county project reserve	7,752	7,752	-	7,752
605 - Federal and state grant preparation, monitoring program	47,027	47,027	44,855	2,172
606 - Speed zone studies	12,500	12,500	12,500	-
607 - Special studies	68,405	68,405	47,820	20,585
608 - Planning, programming & monitoring	40,000	40,000	34,754	5,246
609 - Sustainable transportation planning	7,500	7,500	4,582	2,918
610 - Active transportation	13,086	13,086	13,086	-
611 - Pavement management program inventory update	113,500	113,500	73,190	40,310
612 - Countywide technology support services	16,500	16,500	13,000	3,500
613 - Transportation information outreach	2,000	2,000	2,000	-
614 - Regional and active transportation plans update	43,115	43,115	41,468	1,647
615 - Lake County transit development plan update	117,000	117,000	32,372	84,628
616 - Training	12,151	12,151	681	11,470
617 - SR 53 Corridor local circulation study	122,250	122,250	120,529	1,721
618 - Local road safety plans	94,317	94,317	81,198	13,119
Regional Early Action Planning	150,000	150,000	4,465	145,535
FTA 5311 CARES allocations	2,356,697	2,356,697	-	2,356,697
Total Expenditures	3,562,286	3,562,286	728,668	2,833,618
Net Change in Fund Balances	(649,649)	(317,367)	(3,955)	313,412
Fund Balances - Beginning	125,672	125,672	125,672	-
Fund Balances - Ending	\$ (523,977)	\$ (191,695)	\$ 121,717	\$ 313,412

LAKE COUNTY/CITY AREA PLANNING COUNCIL
Required Supplementary Information
Budgetary Comparison Schedule
Administration - Major Special Revenue Fund
For the Year Ended June 30, 2022

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual Amounts (Budgetary Basis)</u>	<u>Variance with Final Budget Positive (Negative)</u>
REVENUES				
Local Transportation fund allocation	\$ 613,412	\$ 613,412	\$ 613,412	\$ -
Total Revenues	<u>613,412</u>	<u>613,412</u>	<u>613,412</u>	<u>-</u>
EXPENDITURES				
Current transportation:				
Planning and administration	613,412	613,412	591,697	21,715
Total Expenditures	<u>613,412</u>	<u>613,412</u>	<u>591,697</u>	<u>21,715</u>
Net Change in Fund Balances	-	-	21,715	21,715
Fund Balances - Beginning	<u>25,916</u>	<u>25,916</u>	<u>25,916</u>	<u>-</u>
Fund Balances - Ending	<u>\$ 25,916</u>	<u>\$ 25,916</u>	<u>\$ 47,631</u>	<u>\$ 21,715</u>

LAKE COUNTY/CITY AREA PLANNING COUNCIL
Required Supplementary Information
Budgetary Comparison Schedule
Reserve - Major Special Revenue Fund
For the Year Ended June 30, 2022

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual Amounts (Budgetary Basis)</u>	<u>Variance with Final Budget Positive (Negative)</u>
REVENUES				
Other federal grants	\$ 406,458	\$ 406,458	\$ 360,464	\$ (45,994)
Use of money	-	-	917	917
Total Revenues	<u>406,458</u>	<u>406,458</u>	<u>361,381</u>	<u>(45,077)</u>
EXPENDITURES				
Current transportation:				
Planning and administration	<u>406,458</u>	<u>406,458</u>	<u>360,464</u>	<u>45,994</u>
Total Expenditures	<u>406,458</u>	<u>406,458</u>	<u>360,464</u>	<u>45,994</u>
Excess Revenues Over (Under) Expenditures	<u>-</u>	<u>-</u>	<u>917</u>	<u>917</u>
OTHER FINANCING SOURCES (USES)				
Transfers in	<u>378,078</u>	<u>378,078</u>	<u>469,780</u>	<u>91,702</u>
Total Other Financing Sources (Uses)	<u>378,078</u>	<u>378,078</u>	<u>469,780</u>	<u>91,702</u>
Net Change in Fund Balances	<u>378,078</u>	<u>378,078</u>	<u>470,697</u>	<u>92,619</u>
Fund Balances - Beginning	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Fund Balances - Ending	<u>\$ 378,078</u>	<u>\$ 378,078</u>	<u>\$ 470,697</u>	<u>\$ 92,619</u>

LAKE COUNTY/CITY AREA PLANNING COUNCIL
Required Supplementary Information
Budgetary Comparison Schedule
Regional Surface Transportation Program - Major Special Revenue Fund
For the Year Ended June 30, 2022

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual Amounts (Budgetary Basis)</u>	<u>Variance with Final Budget Positive (Negative)</u>
REVENUES				
Other State grants	\$ 681,856	\$ 681,856	\$ 681,856	\$ -
Use of money	-	-	1,277	1,277
Total Revenues	<u>681,856</u>	<u>681,856</u>	<u>683,133</u>	<u>1,277</u>
EXPENDITURES				
Current transportation: RSTP pass-through	<u>681,856</u>	<u>681,856</u>	<u>404,341</u>	<u>277,515</u>
Total Expenditures	<u>681,856</u>	<u>681,856</u>	<u>404,341</u>	<u>277,515</u>
Net Change in Fund Balances	-	-	278,792	278,792
Fund Balances - Beginning	<u>2,147</u>	<u>2,147</u>	<u>2,147</u>	<u>-</u>
Fund Balances - Ending	<u><u>\$ 2,147</u></u>	<u><u>\$ 2,147</u></u>	<u><u>\$ 280,939</u></u>	<u><u>\$ 278,792</u></u>

LAKE COUNTY/CITY AREA PLANNING COUNCIL
Required Supplementary Information
Budgetary Comparison Schedule
Service Authority for Freeway Emergencies - Major Special Revenue Fund
For the Year Ended June 30, 2022

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual Amounts (Budgetary Basis)</u>	<u>Variance with Final Budget Positive (Negative)</u>
REVENUES				
Vehicle registration fees	\$ 80,500	\$ 80,500	\$ 83,556	\$ 3,056
Use of money	18,500	18,500	2,904	(15,596)
Total Revenues	<u>99,000</u>	<u>99,000</u>	<u>86,460</u>	<u>(12,540)</u>
EXPENDITURES				
Current transportation:				
Planning and administration	439,325	439,325	36,259	403,066
Total Expenditures	<u>439,325</u>	<u>439,325</u>	<u>36,259</u>	<u>403,066</u>
Net Change in Fund Balances	(340,325)	(340,325)	50,201	390,526
Fund Balances - Beginning	<u>1,035,167</u>	<u>1,035,167</u>	<u>1,035,167</u>	<u>-</u>
Fund Balances - Ending	<u>\$ 694,842</u>	<u>\$ 694,842</u>	<u>\$ 1,085,368</u>	<u>\$ 390,526</u>

LAKE COUNTY/CITY AREA PLANNING COUNCIL
Required Supplementary Information
Note to Budgetary Comparison Schedules
For the Year Ended June 30, 2022

NOTE 1: BUDGETARY BASIS OF ACCOUNTING

Formal budgetary integration is employed as a management control device during the year. The Council presents a comparison of annual budget to actual results for all major special revenue funds. Budgets are adopted on a basis consistent with accounting principles generally accepted in the United States of America (GAAP).

The Council follows these procedures annually in establishing the budgetary data reflected in the financial statements:

- (1) The Executive Director submits to the Board of Directors a recommended draft budget for the fiscal year commencing the following July 1. The budget includes recommended expenditures and the means of financing them.
- (2) The Board of Directors reviews the recommended budget at regularly scheduled meetings, which are open to the public. The Board also conducts a public hearing on the recommended budget to obtain comments from interested persons.
- (3) Prior to July 1, the budget is adopted through the passage of a resolution.
- (4) The Board of Directors may amend the budget by motion during the fiscal year.

The Council does not use encumbrance accounting under which purchase orders, contracts, and other commitments for the expenditure of monies are recorded in order to reserve that portion of the applicable appropriation.

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Combining Nonmajor Fund Financial Statements

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LAKE COUNTY/CITY AREA PLANNING COUNCIL
Combining Balance Sheet
Nonmajor Governmental Funds
Special Revenue Funds
June 30, 2022

	Local Transportation 2% Reserve	Transportation Enhancement Act	Totals
ASSETS			
Cash and investments	\$ 219,451	\$ 7,187	\$ 226,638
Receivables:			
Interest	-	9	9
Total Assets	\$ 219,451	\$ 7,196	\$ 226,647
LIABILITIES			
Accounts payable	\$ -	\$ -	\$ -
Total Liabilities	-	-	-
FUND BALANCES			
Restricted	219,451	7,196	226,647
Total Fund Balances	219,451	7,196	226,647
Total Liabilities and Fund Balances	\$ 219,451	\$ 7,196	\$ 226,647

LAKE COUNTY/CITY AREA PLANNING COUNCIL
Combining Statement of Revenues, Expenditures
and Changes in Fund Balances
Nonmajor Governmental Funds
Special Revenue Funds
For the Year Ended June 30, 2022

	Local Transportation 2% Reserve	Transportation Enhancement Act	Totals
REVENUES			
Intergovernmental revenues:			
Local Transportation fund allocation	\$ 24,413	\$ -	\$ 24,413
Use of money	-	20	20
	24,413	20	24,433
Total Revenues			
EXPENDITURES			
Current transportation:			
Planning and administration	-	-	-
	-	-	-
Total Expenditures			
	24,413	20	24,433
Net Change in Fund Balances			
Fund Balances - Beginning	195,038	7,176	202,214
Fund Balances - Ending	\$ 219,451	\$ 7,196	\$ 226,647

Schedules of Allocations and Expenditures

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LAKE COUNTY/CITY AREA PLANNING COUNCIL
Schedule of Allocations and Expenditures
Local Transportation Fund
For the Year Ended June 30, 2022

	Beginning Allocations as Adjusted	Allocated	Expended	Rescinded	Ending Allocations as Adjusted
Lake County/City Area Planning Council					
99400(c)	\$ 14,173	\$ 142,096	\$ (142,096)	\$ -	\$ 14,173
99233.1	-	613,412	(613,412)	-	-
99233.3	6,930	24,413	(24,413)	-	6,930
Total Lake County/City Area Planning Council	<u>21,103</u>	<u>779,921</u>	<u>(779,921)</u>	<u>-</u>	<u>21,103</u>
Lake Transit Authority					
99260(a)	6,293	901,386	(901,386)	-	6,293
99262	10,843	-	-	-	10,843
Total Lake Transit Authority	<u>17,136</u>	<u>901,386</u>	<u>(901,386)</u>	<u>-</u>	<u>17,136</u>
Consolidated Transportation Service Agency					
99233.7	(61,031)	61,031	-	-	-
Total Consolidated Transportation Service Agency	<u>(61,031)</u>	<u>61,031</u>	<u>-</u>	<u>-</u>	<u>-</u>
Totals	<u>\$ (22,792)</u>	<u>\$ 1,742,338</u>	<u>\$ (1,681,307)</u>	<u>\$ -</u>	<u>\$ 38,239</u>

LAKE COUNTY/CITY AREA PLANNING COUNCIL
Schedule of Allocations and Expenditures
State Transit Assistance Fund
For the Year Ended June 30, 2022

	<u>Beginning Allocations as Adjusted</u>	<u>Allocated</u>	<u>Expended</u>	<u>Rescinded</u>	<u>Ending Allocations as Adjusted</u>
Lake Transit Authority 99313.3	\$ 46,293	\$ 466,193	\$ (466,193)	\$ -	\$ 46,293
Total Lake Transit Authority	<u>\$ 46,293</u>	<u>\$ 466,193</u>	<u>\$ (466,193)</u>	<u>\$ -</u>	<u>\$ 46,293</u>

LAKE COUNTY/CITY AREA PLANNING COUNCIL
Schedule of Allocations and Expenditures
State of Good Repair
For the Year Ended June 30, 2022

	<u>Beginning Allocations as Adjusted</u>	<u>Allocated</u>	<u>Expended</u>	<u>Rescinded</u>	<u>Ending Allocations as Adjusted</u>
Lake Transit Authority 99312.1	\$ 81,018	\$ 99,707	\$ (99,867)	\$ -	\$ 80,858
Total Lake Transit Authority	<u>\$ 81,018</u>	<u>\$ 99,707</u>	<u>\$ (99,867)</u>	<u>\$ -</u>	<u>\$ 80,858</u>

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OTHER REPORT AND SCHEDULE

- **Other Report**
- **Schedule of Prior Year Findings and Recommendations**

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**INDEPENDENT AUDITOR'S REPORT ON INTERNAL CONTROL OVER FINANCIAL
REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN
AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH
GOVERNMENT AUDITING STANDARDS AND THE RULES AND
REGULATIONS OF THE TRANSPORTATION DEVELOPMENT ACT**

To the Board of Directors
Lake County/City Area Planning Council
Lakeport, California

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in Government Auditing Standards issued by the Comptroller General of the United States and the applicable fiscal audit requirements of the Transportation Development Act including Public Utilities Code Section 99245 and the California Code of Regulations Title 21, Section 6662, the financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of Lake County/City Area Planning Council (Council), as of and for the year ended June 30, 2022, and the related notes to the financial statements, which collectively comprise the Council's basic financial statements and have issued our report thereon dated June 27, 2023.

Report on Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered the Council's internal control over financial reporting (internal control) as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Council's internal control. Accordingly, we do not express an opinion on the effectiveness of the Council's internal control.

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A material weakness is a deficiency, or a combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the Council's financial statements will not be prevented, or detected and corrected on a timely basis. A significant deficiency is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

To the Board of Directors
Lake County/City Area Planning Council
Lakeport, California

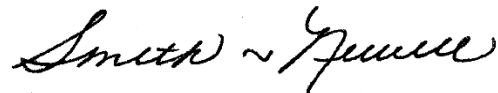
Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Council's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the financial statements. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under Government Auditing Standards.

Additionally, we performed tests to determine that allocations made and expenditures paid by the Council were made in accordance with the allocation instructions and resolutions of the Council and in conformance with the California Transportation Development Act. Specifically, we performed each of the specific tasks identified in the California Code of Regulations Title 21, Section 6666 that are applicable to the Commission and tests to determine that certain state funds were received and expended in accordance with applicable bond act and state accounting requirements. However, our objective was not to provide an opinion on overall compliance with such provisions. Accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance that are required to be reported.

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with Government Auditing Standards in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.



Smith & Newell CPAs
Yuba City, California
June 27, 2023

LAKE COUNTY/CITY AREA PLANNING COUNCIL
Schedule of Prior Year Findings and Recommendations
For the Year Ended June 30, 2022

<u>Audit Reference</u>	<u>Status of Prior Year Recommendation</u>
2021-001	<p>Audit Adjustments</p> <p>Recommendation</p> <p>We recommend that the Council maintain their records on the modified accrual basis of accounting and record year-end accruals, as well as ensure that all revenues and expenditures are classified in appropriate accounts.</p> <p>Status</p> <p>Implemented</p>

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